

HOUSE BILL 4183

By Pruitt

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, relative to certain stadiums used
principally for professional baseball games.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-103(d)(1), is amended by
adding the following language as a new, appropriately designated subdivision:

(F)

(i) Notwithstanding the allocations provided in subsection (a), in any county having a metropolitan form of government and a population in excess of five hundred thousand (500,000), according to the 2000 federal census or any subsequent federal census, if the sports authority causes a new stadium to be constructed principally for use as the home field of a major league baseball team, American or National League, or a minor league affiliate thereof playing at the Class AA level or higher, then an amount shall be apportioned and distributed to the entity responsible for retirement of the debt on such stadium, equal to the amount of state and local tax revenue derived from the sale of admission, parking, food, drink, souvenirs or any other goods or services subject to tax under this chapter, if such sales occur on the premises of the stadium in connection with any game or other event. This apportionment and distribution shall continue until the debt on the stadium is retired, or until thirty (30) years from the date the stadium begins operations, whichever is sooner. Such apportionment and distribution shall continue in the event the stadium ceases to house a major league team or minor league affiliate of a major league baseball team playing at the Class AA level or higher. Notwithstanding any provision of

this subdivision (d)(1)(F)(i) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Acts 1992, chapter 529, § 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in Acts 2002, chapter 856, § 4, shall be apportioned and distributed pursuant to this subdivision (d)(1)(F)(i). All such revenue shall continue to be allocated as provided in Acts 1992, chapter 529, and Acts 2002, chapter 856, respectively.

(ii) Notwithstanding the allocations provided in subsection (a), in addition to the distribution provided in subdivision (d)(1)(F)(i), if new hotels or restaurants are constructed in direct connection with construction of the stadium, then an amount shall also be apportioned and distributed to the entity that is responsible for retirement of the debt on the stadium equal to the amount of state and local tax revenue derived under this chapter from the sale of lodging, parking, food, drink, souvenirs or any other goods or services subject to tax under this chapter, if such sales occur on the premises of the hotel or restaurant. This apportionment and distribution shall begin at the time that the stadium begins operations and shall continue for thirty (30) years, or until the debt on the stadium is retired, whichever is sooner. To be entitled to receive the distribution of state and local tax revenue under this subdivision (d)(1)(F)(ii), the entity responsible for retirement of the debt on the convention center must first file with the department of finance and administration an application seeking certification that the construction of the hotel or restaurant is, in fact, directly related to construction of the stadium. The department of finance and administration shall review the application to confirm whether the hotel or restaurant meets the requirements of

this subdivision (d)(1)(F)(ii). The department of finance and administration shall report its determination to the department of revenue, which shall administer this subdivision (d)(1)(F)(ii) accordingly. Notwithstanding any provision of this subdivision (d)(1)(F)(ii) to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Acts 1992, chapter 529, § 9, and no portion of the revenue derived from the increase in the rate of sales and use tax from six percent (6%) to seven percent (7%) contained in Acts 2002, chapter 856, § 4, shall be apportioned and distributed pursuant to this subdivision (d)(1)(F)(ii). All such revenue shall continue to be allocated as provided in Acts 1992, chapter 529, and Acts 2002, chapter 856, respectively.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.